

C
Stack

1947
ANNUAL MEETING

ALUMINIUM LIMITED



FURVIS HALL
LIBRARIES

MAY 1950
MCGILL UNIVERSITY

ALUMINIUM LIMITED

Montreal
Canada

DIRECTORS

HON. LEIGHTON McCARTHY, P.C., K.C.

E. BLOUGH

GEORGE O. MORGAN

E. G. MacDOWELL

President
Aluminium Union Limited

EDWIN J. MEJIA

President
Aluminium Fiduciaries Limited

J. A. DULLEA

President
Aluminium Securities Limited

PAUL LaROQUE

Secretary
Aluminium Secretariat Limited

R. E. POWELL

President
Aluminum Company of Canada, Ltd.

EDWARD K. DAVIS

President
Stand Corporation

EDWARD K. DAVIS, President

J. A. DULLEA, Secretary

J. W. McKEE, Treasurer



1947
ANNUAL MEETING
ALUMINIUM LIMITED

PROCEEDINGS

REMARKS OF PRESIDENT

EXHIBITS AT MEETING

Review of 1946

Photographs

Financial Highlights

Charts

Address List

**REPORT OF THE
NINETEENTH ANNUAL MEETING OF SHAREHOLDERS
OF ALUMINIUM LIMITED**

PROCEEDINGS

The meeting was held at eleven o'clock, April 24th, 1947, at the Company's head office, 1155 Metcalfe Street, Montreal, Quebec, Canada.

Of 744,410 common shares outstanding, 554,310 were represented in person or by proxy.

The auditors' report was read and the financial statements for 1946 were adopted. (Financial highlights of the years 1940 to 1946 inclusive may be found on page 13.)

Directors and Officers were re-elected as given on the inside front cover.

**REMARKS OF
EDWARD K. DAVIS, PRESIDENT**

We now proceed to submit to the Shareholders the 1946 consolidated financial statements for approval upon a motion to be made at the conclusion of remarks which it would seem appropriate to offer while you are examining the figures.

I take this opportunity to remind you that the business of Aluminium Limited is international and consists essentially of duties respecting the management of shareholders' money invested in aluminium enterprises, wherever they may be, which give promise of being safe and profitable. It follows, therefore, that the successful conduct of the business which is peculiar to Aluminium Limited as an individual company and as distinct from more than 20 other companies which are included in what is commonly but unofficially referred to as the Aluminium Limited Group must take into account economic conditions not only in Canada but elsewhere and not only in the Western Hemisphere but abroad. Over a large area of the world they are disturbed and unpredictable. For this reason the attitude of the management tends toward more conservatism than is usual in less unsettled conditions. In an increasing number of regions, ideological conflicts over the merits of private

capital and individual enterprise on the one hand and publicly-owned and bureaucratically-managed state industries on the other hand have brought about a situation in which uncertainty has replaced confidence on the part of private enterprise and apathy on the part of the inhabitants of those regions has replaced industry and the will to be self-supporting and survive.

It may therefore interest you to know where, in the interval between the cessation of hostilities and the present time, it has seemed prudent to expand our business and where it has seemed safer to stand still or retract a little.

In Canada, where our business has grown, both actually and relatively, as compared with the years immediately preceding the second World War we have substantially increased our investment in water power facilities, the means of transportation of supplies, the facilities for the reduction of ore to metal and, particularly, in plants for the fabrication of metal into articles useful for the trade. Elsewhere in the Western Hemisphere, the scope of our business has increased in the Caribbean area, in Mexico, and in Brazil although in the latter country no substantial investments were actually made in 1946.

In England where we are the principal although not the only source of supply of raw aluminium and where our fabricating plants supply a large part of British requirements of semi-finished aluminium articles, the consumption of our metal remains, and we believe it will remain, surprisingly good when one considers the deprivations the British people are enduring in order to stabilize their economy and regain their former enviable position in the trade and commerce of the world. Our investment in Great Britain when the undertakings entered into in 1946 are fully implemented will represent about half of Aluminium Limited's entire investment in plants for the fabrication of aluminium.

Our interest in Switzerland continues and the plant there is in process of enlargement. An enterprise, although a small one, in South Africa is under way.

In the Far East, however, including India, we are proceeding cautiously and in Continental Europe, except as noted in the item regarding Switzerland, there is, as yet, not much inducement for the private investor to put more capital at risk than is already there.

When the proceedings of this meeting are printed as heretofore, there will appear a more extended and more statistical review of 1946 than it would seem desirable to burden you with while you are concerned with the agenda of this meeting.

But there is one significant event which has taken place, and which I feel sure those of you who were here last year must already have noticed. Our beloved Director, Mr. Aimé Geoffrion, passed away on October 15th, 1946. His eminent position in legal circles and, generally, in the life of Canada and, particularly, in French-speaking Canada has already elicited from his many other connections testimonials of esteem and bereavement. Although his connection with us was admittedly a small part of his varied interests, he was, through the entire history of this Company, a respected adviser, a loyal partner, and a friend to all of us who worked with him. We miss him very much.

Among the employees, operatives and staff, there has existed an "esprit de corps" which is

much appreciated by the members of the Board of Aluminium Limited for whom I speak and by the Officers of the respective constituent companies. Any disagreements which have arisen between employees and the underlying companies of our group over wages, working conditions or related matters have been dealt with considerately on both sides. There have been few so-called labour difficulties within our organization although we have suffered grievously from interruption of supplies from other firms affected by strikes.

Some progress has been made in bringing the earned income of junior executives and office workers into a better relation to the higher cost of living which prevails everywhere, but, in some countries where we operate, to a much greater extent than in others. The socially secured people in this class have had substantial benefits accruing to them by reason of more liberal provisions in the pension plans which are available to the majority of such employees. What has already been done in the way of improved employee relations is a step along a path which the management would like to follow as rapidly as conditions become more favourable to the safety of invested capital and the continuity of earnings.

With this brief summary, I turn again to the financial statements, a motion for the adoption of which is in order, a motion which the Chairman is privileged to make and does make. Does anyone second it?

EXHIBITS AT MEETING

REVIEW OF 1946

During the year 1946 the subsidiary and associated companies of Aluminium Limited conducted operations in various branches of the aluminium industry in 18 countries of the world and pursued sales activities in more than 50 countries.

In this year Aluminium Limited was in the third of the principal phases of its history to date. The first phase had extended through the decade following the company's formation in 1928. In this period the Aluminium Limited Group was engaged in organizing, integrating and extending the scattered properties in Canada, British Guiana, England, Norway and elsewhere which were acquired by the Company at its inception. This period was marked also by the onset of world economic depression, stifling international trade on which the Company depends and retarding development.

In the second principal phase the requirements of global warfare had called forth a vast expansion of plants for producing and fabricating aluminium, not only in the far-flung companies in which Aluminium Limited had an investment, but in competitors' plants as well.

With the cessation of hostilities the third and present phase of the history commenced. Aluminium Limited undertook the task of fostering again, and indeed extending greatly, the international flow of aluminium for civilian use. This is the only means by which the expanded capacity can be employed, in part at least, and the only means by which this expanded capacity can be utilized to produce wages for employees, taxes for governments and dividends for shareholders.

DEMAND FOR ALUMINIUM

Despite some unfavourable production factors for aluminium in 1946, the year showed the continuance of the trend established early in the recent war when aluminium became (after iron and steel) the world's most plentiful metal. This retention of second place in 1946 was in part a reflection of aluminium's use in substitution for other metals less readily available. But it was also a reflection of the expanded uses for which aluminium is found suited, of the wider knowledge of the ease of handling aluminium as a result of war experience in many industries and of the lower price of aluminium.

PRICES

As a result of improved technique and of the economies incident to larger scale production, basic aluminium prices have declined 30 percent since the start of World War II. Aluminium ingot prices, relatively to other competitive metals, are lower today than ever before. This decline occurred, as far as Aluminium Limited's main ingot production units are concerned, in the face of wage rates about 50 percent higher than before the war. Reliance has been placed on a lower profit per pound of metal spread over a greatly increased production.

SCOPE OF OPERATIONS

In 1946 the operational activity in the Aluminium Limited Group embraced the following integrated operations essential to the conduct of the business; the discovery and mining of the essential ore, bauxite; the transport by sea and rail, and trans-shipment, of bauxite and other raw materials; the development of hydro-electric power; the production of virgin aluminium ingot, the conversion of a portion of the ingot metal into semi-finished forms for re-sale to industrial customers; the manufacture of some finished goods; the widespread sales effort to find markets for ingot and semi-finished metal; the conduct of a research and development programme essential to a growing industry; the overall managerial supervision required by operations on an international scale.

BAUXITE PRODUCTION

Bauxite mining operations in 1946 were conducted principally in British Guiana, where production was at high levels, and in France. Exploration for future bauxite reserves was actively undertaken during the year.

ALUMINIUM PRODUCTION

Virgin aluminium was produced in 1946 in Canada, Norway, Italy, India and Sweden by companies in which Aluminium Limited has an investment. Canadian production of aluminium ingot remained the largest single operation in the Aluminium Limited Group. The wholly-owned company responsible for this activity, Aluminum Company of Canada, Ltd., last year

produced 22 percent of the estimated world output of aluminium ingot as compared to 8 percent in 1937 and 12 percent in 1940. In terms of tonnage its output was three times pre-war totals although less than half of the peak wartime rate.

Despite greatly increased sales of aluminium in Canada in 1946 compared with pre-war experience, this country purchased only 14 percent of the total quantity it produced, leaving the remaining 86 percent to be handled through export channels. This was a repetition of the experience which has always prevailed with Canadian production.

INTERNATIONAL SALES

Aluminium Limited's international distributing subsidiaries, through their sales offices and sales agents, were active in more than 50 countries, marketing aluminium in many forms, including exports from Canada.

Canadian aluminium exports in 1946 were at new high levels for a peacetime production year, being three times the pre-war peak, at prices averaging substantially less than pre-war. Just under half the exports went to the United Kingdom, one fifth to the United States and the balance to 46 other countries.

A considerable part of Canadian export metal was sold to fabricating companies in which Aluminium Limited has an interest.

FABRICATING OPERATIONS

The Company in 1946 had investments in companies conducting aluminium fabrication in the following countries: the United Kingdom, Canada, Switzerland, Australia, India, Norway, Denmark, Holland, China and the Aden Protectorate. The work of their plants is to convert aluminium ingot into forms such as sheet, foil, castings, extruded shapes, wire and forgings, for which there is a sale based on customers' requirements. There is also production of finished goods, principally aluminium utensils and containers.

The largest of the fabricating operations was conducted in the United Kingdom, (which has been over the years the leading market for Canadian aluminium) by a wholly-owned subsidiary, Northern Aluminium Company, Ltd. This company, which made an outstanding war effort, is now assisting in Great Britain's efforts towards industrial reconstruction. During

1946 it commenced a construction programme for greatly increasing its capacity to mass-produce semi-finished aluminium products.

Additional fabricating plants were under construction during 1946, including those of a wholly-owned company in the Union of South Africa and a partially-owned company in Mexico. Subsequently an arrangement has been made for a fifty-fifty participation in an important fabricating enterprise in Brazil with plans for far-reaching expansion.

RESEARCH AND DEVELOPMENT

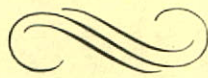
In the technical aspects of the industry, the Aluminium Limited Group kept in step with modern developments during 1946. Special scientific staffs were at work at two research laboratories in Canada and one in England. Expenditures on these activities were substantially higher than in any previous year. One noteworthy development in the technical field was the introduction of an improved process for casting "rolling ingots" at the aluminium smelter. This process eliminates the necessity of remelting smaller ingots at the fabricating plant prior to rolling aluminium sheet products, thus assisting in holding down costs. In the year 1946 important progress was made in the development of a new method for producing magnesium, a metal valuable in itself and complementary to aluminium in several alloys. A small production unit employing this magnesium technique commenced operation in Canada at year's end.

There was also during the year an increasing diversification in the manufacture of those chemicals which the aluminium industry produces economically and for which there exists a market in other industries.

EMPLOYEE RELATIONS

Aluminium Limited's operating companies experienced generally satisfactory relations with their employees during 1946. Production stoppages through labor disputes were negligible.

Various contributory plans for pensions, life assurance and savings were in effect for employees of wholly-owned subsidiaries in Canada, the Caribbean area, the United Kingdom, Switzerland and India and extensions to this programme were under study. By the end of 1946 company contributions to these measures had reached a total in excess of \$8,000,000.



COMPANY TOWNS

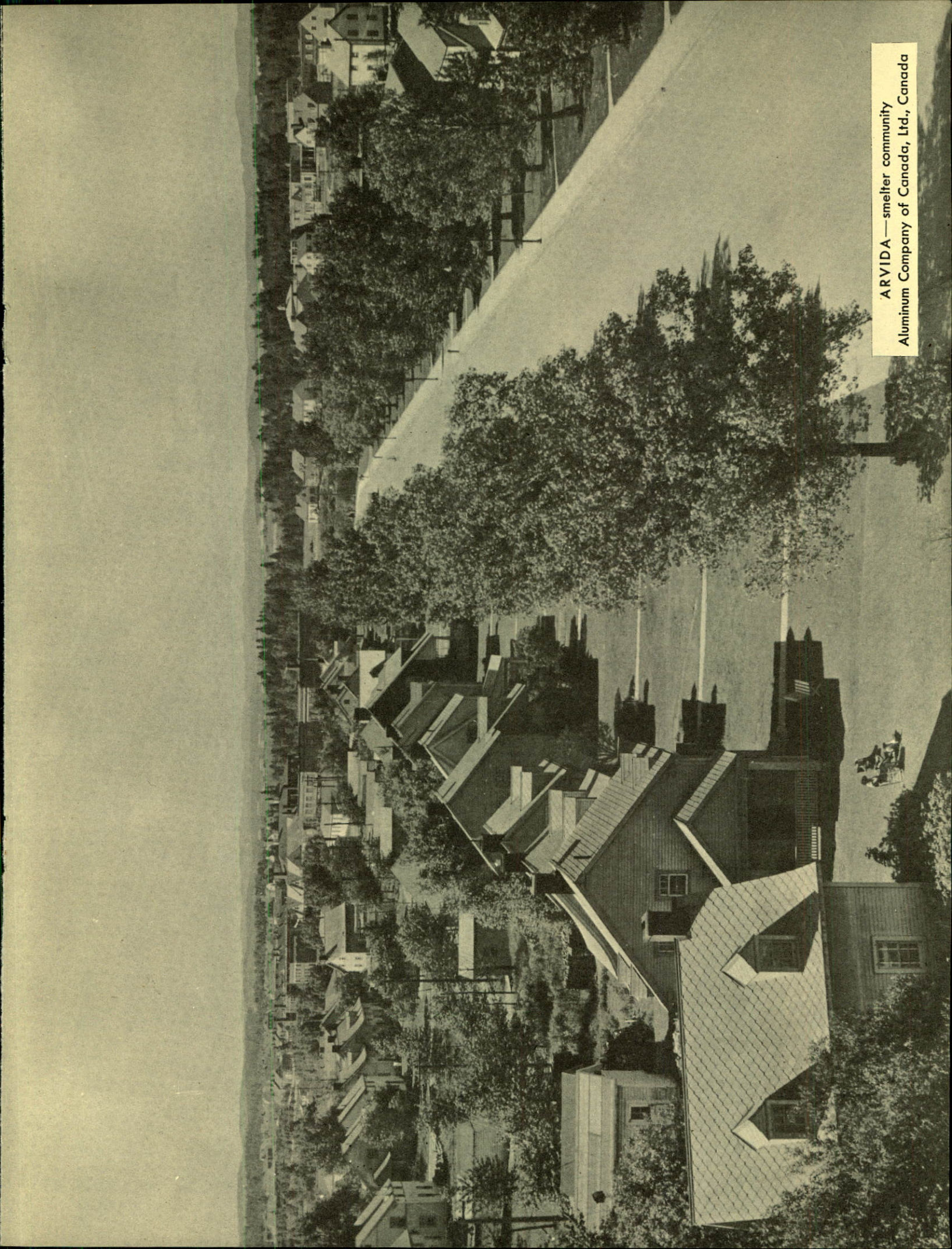
CAN BE

HOME TOWNS

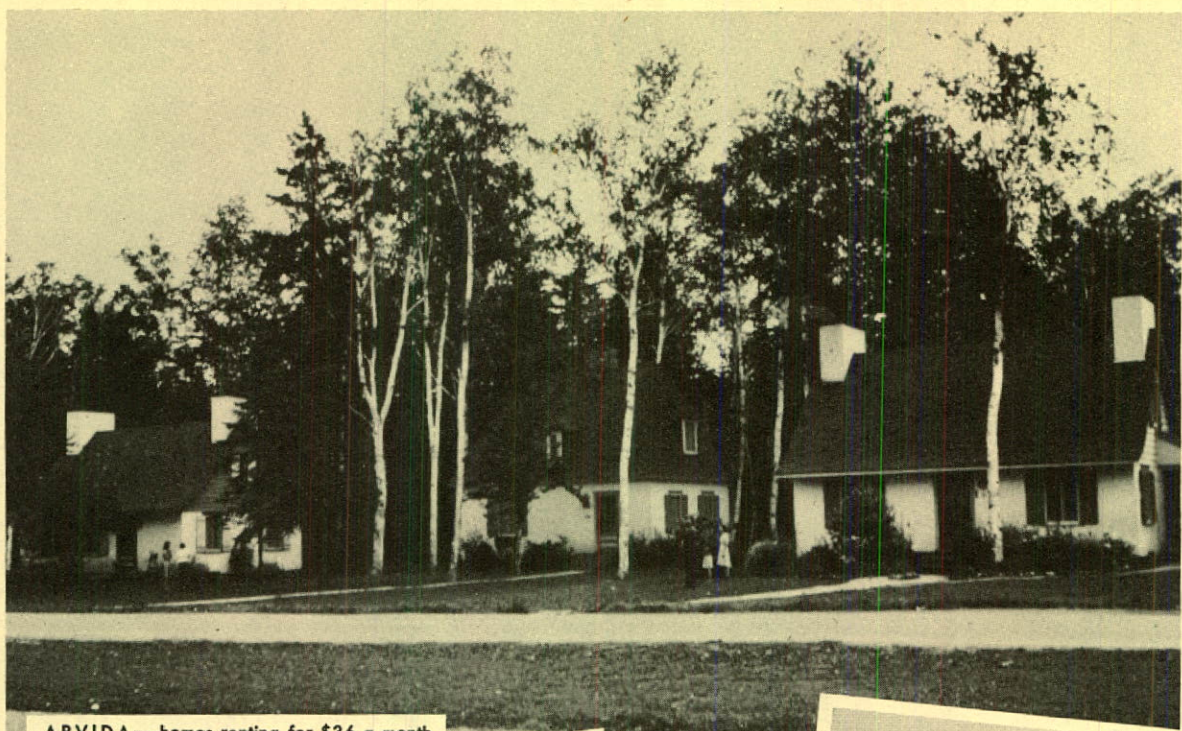




HOYANGER—smelter community
A/S Norsk Aluminium Company, Norway



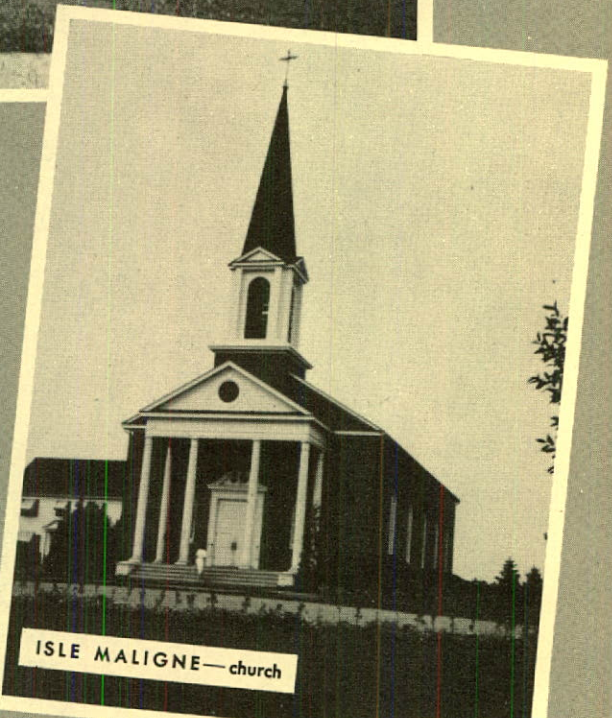
ARVIDA—smelter community
Aluminum Company of Canada, Ltd., Canada



ARVIDA—homes renting for \$36 a month



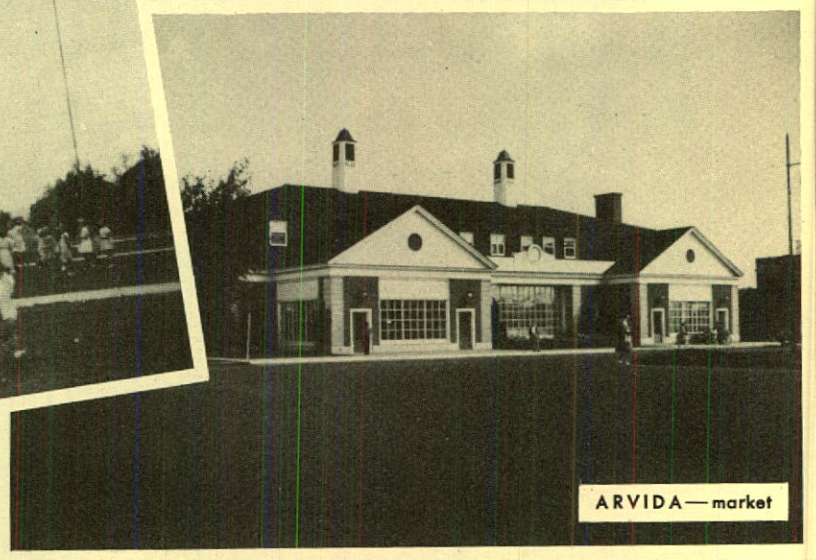
ARVIDA—inn



ISLE MALIGNÉ—church



ARVIDA—bilingual school



ARVIDA—market



SCHLOSSBACH—fabricating plant settlement
Aluminiumwerke A.-G. Rorschach, Switzerland



MURI JUNCTION—temporary accomodation during plant construction, Indian Aluminium Company, Ltd., India



COCKATARA—mining community
Demerara Bauxite Company, Ltd., British Guiana

ALUMINIUM LIMITED

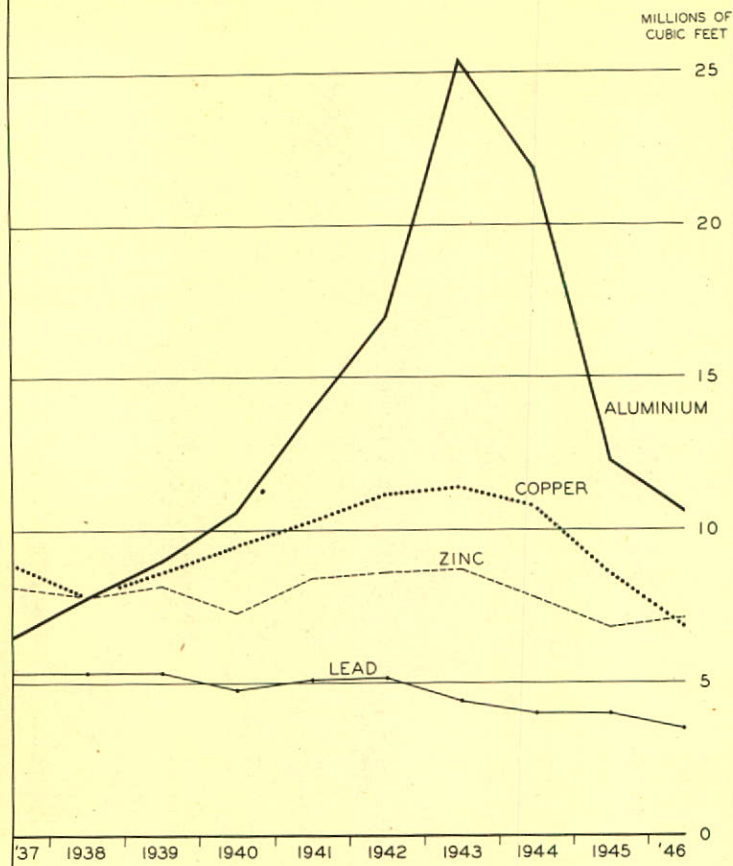
AND FULLY OWNED SUBSIDIARY COMPANIES

Financial Highlights

(as adjusted)

EARNINGS	1940	1941	1942	1943	1944	1945	1946
Sales.....	\$81,635,948	\$132,143,186	\$198,765,962	\$290,533,159	\$258,550,197	\$113,997,741	\$110,698,088
Provision for depreciation and depletion:							
Normal.....	3,613,800	5,534,023	6,328,056	5,837,649	6,961,177	5,685,021	6,103,546
Special (in respect of war facilities).....	778,604	17,700,509	40,571,185	64,555,591	51,787,341	0	0
Provision for income and excess profits taxes....	21,983,552	15,313,610	13,838,692	13,911,952	10,880,207	8,715,458	9,417,344
Preferred dividends:							
Aluminum Company of Canada, Ltd.....	0	0	0	749,917	750,000	750,000	637,500
Aluminium Limited.....	526,113	526,113	526,113	493,411	482,510	481,967	349,385
Earnings available for common shares.....	10,432,142	15,013,387	14,936,724	11,497,017	10,838,504	11,516,919	11,770,732
Earnings per common share.....	14.01	20.17	20.07	15.44	14.56	15.47	15.81
Dividends per common share.....	8.00	10.00	10.00	10.00	8.00	8.00	9.00
ASSETS—31 December							
Lands, plants and facilities (net).....	\$85,789,558	\$120,373,202	\$180,539,325	\$167,351,369	\$116,982,747	\$113,305,251	\$118,582,672
Investments.....	11,774,905	11,907,807	12,140,972	12,273,062	12,620,738	16,050,856	16,332,277
Net assets in enemy and formerly occupied territory.....	11,682,639	13,152,878	13,220,323	13,212,635	13,210,705	13,208,874	13,204,771
Prepaid expenses, deferred charges, etc.....	2,822,772	4,675,979	7,172,939	7,699,745	4,241,735	3,784,400	4,219,676
Cash and marketable securities.....	19,472,374	58,290,818	35,614,513	30,513,674	96,669,113	80,992,311	58,747,158
Other current assets.....	44,135,764	59,677,972	102,607,762	132,981,338	56,874,896	29,203,502	51,867,785
	<u>175,678,012</u>	<u>268,078,656</u>	<u>351,295,834</u>	<u>364,031,823</u>	<u>300,599,934</u>	<u>256,545,194</u>	<u>262,954,339</u>
LIABILITIES—31 December							
Bonds, notes, etc.....	66,162,500	82,162,500	107,027,503	123,926,647	117,931,758	108,738,320	107,586,271
Advance payments on sales contracts.....	0	56,264,428	88,828,865	58,773,796	21,786,851	1,630,561	0
Current liabilities.....	32,727,609	42,875,029	59,434,327	66,272,449	38,679,956	20,684,619	31,372,389
Reserves and deferred credits.....	3,321,665	7,435,581	8,108,578	8,829,344	9,622,907	6,167,967	3,028,098
Preferred shares.....	7,899,600	7,899,600	7,899,600	22,244,900	22,244,900	22,244,900	15,000,000
	<u>110,111,374</u>	<u>196,637,138</u>	<u>271,298,873</u>	<u>280,047,136</u>	<u>210,266,372</u>	<u>159,466,367</u>	<u>156,986,758</u>
Equity of common shareholders.....	<u>\$65,566,638</u>	<u>\$71,441,518</u>	<u>\$79,996,961</u>	<u>\$83,984,687</u>	<u>\$90,333,562</u>	<u>\$97,078,827</u>	<u>\$105,967,581</u>

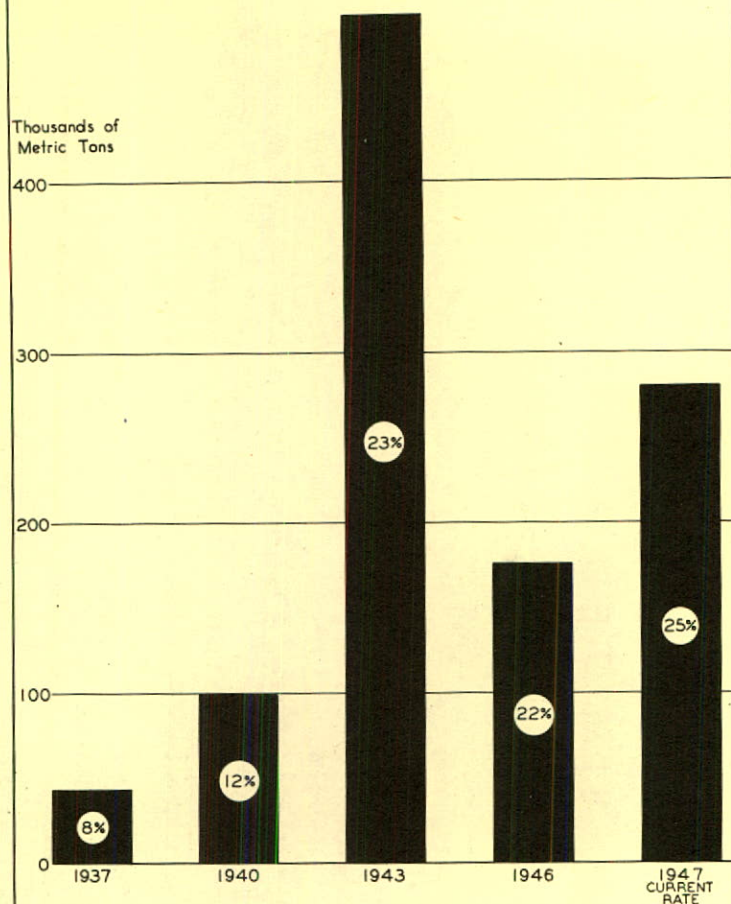
ESTIMATED VOLUME OF WORLD OUTPUT



CANADIAN OUTPUT OF ALUMINIUM INGOT

AND PERCENTAGE OF ESTIMATED WORLD TOTAL

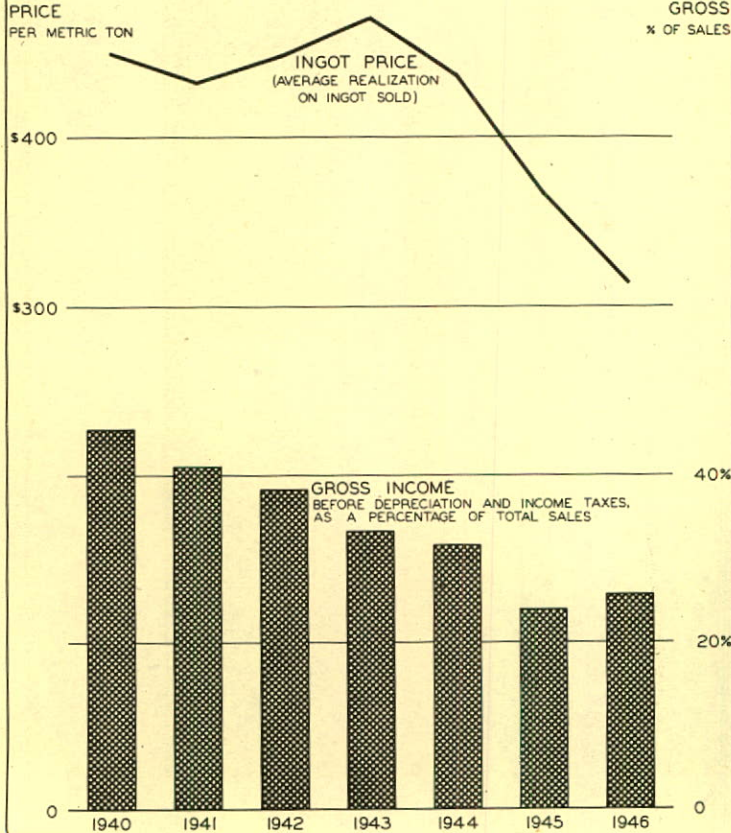
Thousands of Metric Tons



ALUMINIUM LIMITED

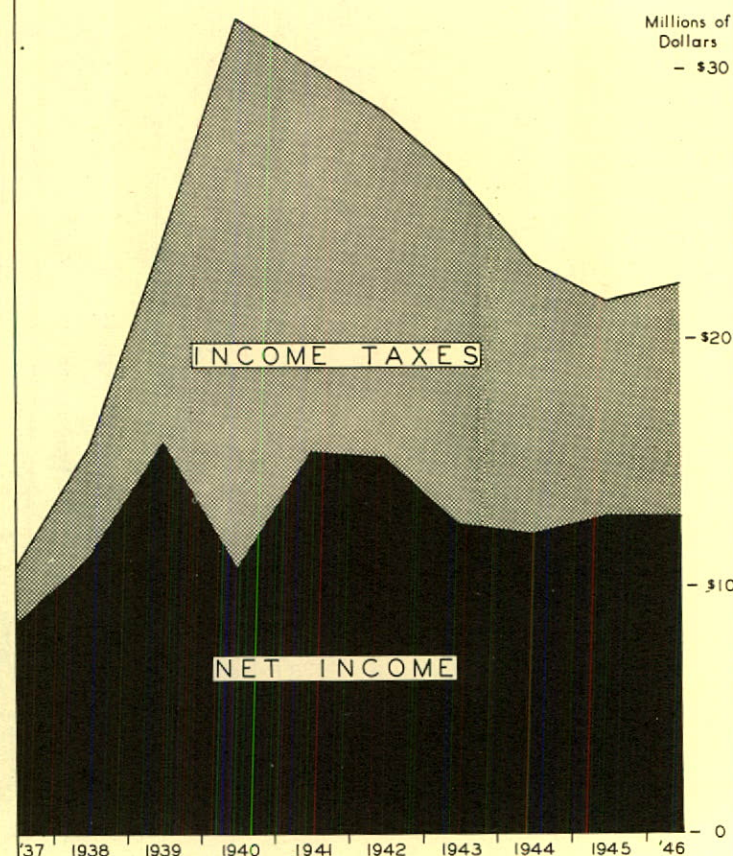
PRICE PER METRIC TON

GROSS % OF SALES



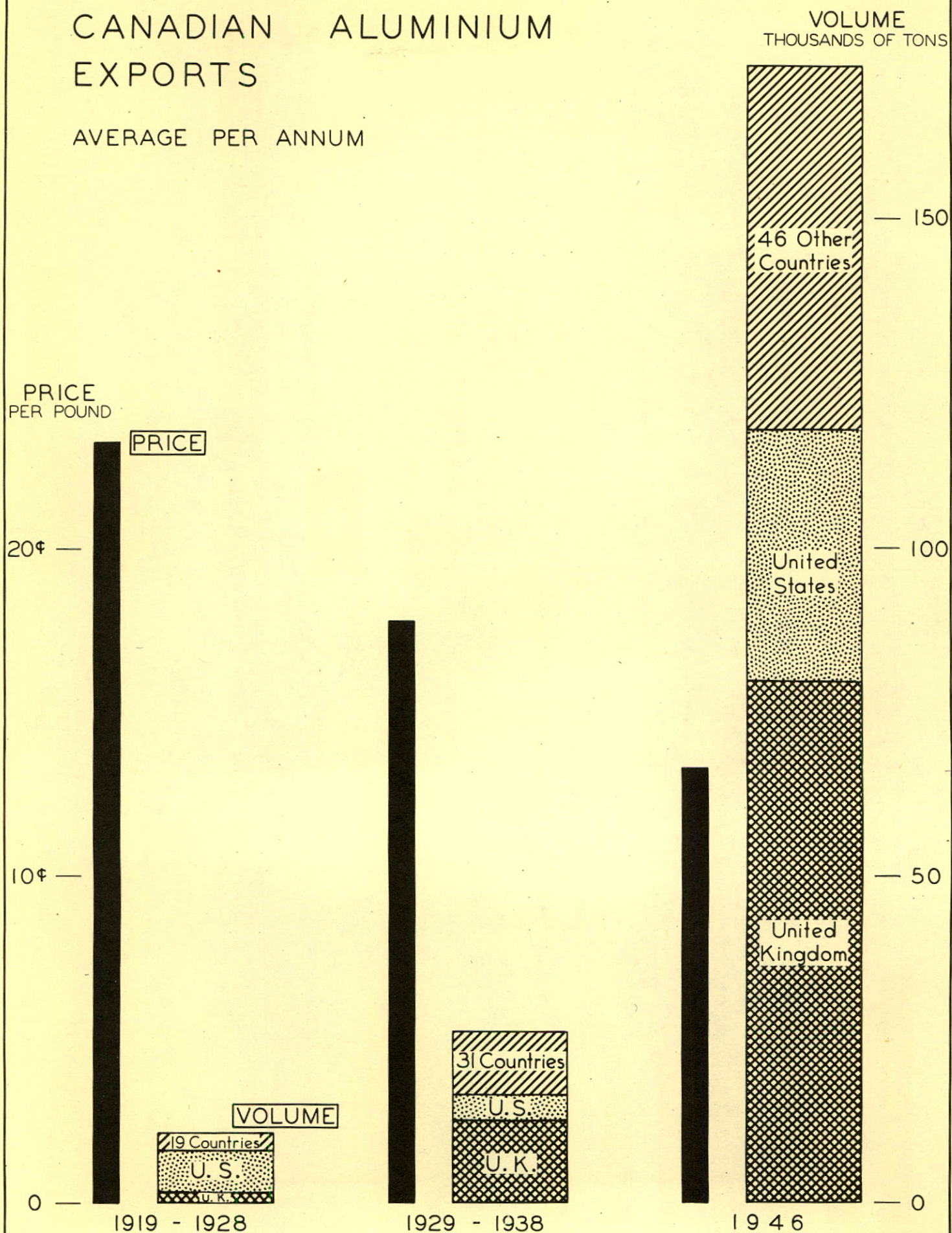
ALUMINIUM LIMITED

Millions of Dollars
- \$30



CANADIAN ALUMINIUM EXPORTS

AVERAGE PER ANNUM



ADDRESS LIST

For the information of shareholders in various parts of the world some representative offices of the wholly owned and partially owned subsidiary companies in the Aluminium Limited Group are here listed. Space does not allow the listing of the numerous sales agents of Aluminium Union Limited and other selling subsidiaries which may be found in every important commercial centre.

ARABIA

Aden
Jeewanlal (1929) Limited

ARGENTINA

Buenos Aires
Aluminio Argentina, s.a.c.i.
Aluminium Union Limited
Av. Ing. Luis A. Huergo 1279

AUSTRALIA

Sydney
Aluminium Union Limited
34 Martin Place
Australian Aluminium Company Pty., Ltd.
Unwin Street, Granville

BRAZIL

Sao Paulo
Aluminio do Brasil, S.A.
Aluminium Union Limited
Rua da Quitanda, 96

BRITISH GUIANA

Georgetown
Demerara Bauxite Company, Ltd.
Broad Street
Sproston Limited
Lombard Street

BURMA

Rangoon
Jeewanlal (1929) Limited
111 Mogul Street

CANADA

Arvida
Aluminum Company of Canada, Ltd.
Aluminium Laboratories Limited
The Roberval & Saguenay Railway Company

Chicoutimi
Saguenay Electric Company

Etobicoke
Aluminum Company of Canada, Ltd.

Isle Maligne
The Alma & Jonquières Railway Company
Aluminum Company of Canada, Ltd.
Saguenay Power Company, Ltd.

Kingslon
Aluminium Laboratories Limited
Aluminum Company of Canada, Ltd.

Montreal
Aluminium Limited
Aluminium Fiduciaries Limited
Aluminium Laboratories Limited
Aluminium Secretariat Limited
Aluminium Securities Limited
Aluminium Union Limited
Aluminum Company of Canada, Ltd.
Aluminum Goods Limited
Chaguaramas Terminals Limited
Magnesium Company of Canada, Ltd.
Saguenay Power Company, Ltd.
Saguenay Terminals Limited
Saguenay Transmission Company, Ltd.
The Alma & Jonquières Railway Company
Sun Life Building

Port Alfred
Saguenay Terminals Limited

Quebec
Aluminum Company of Canada, Ltd.
351 Boulevard Charest

Shawinigan Falls
Aluminum Company of Canada, Ltd.

Toronto
Aluminum Company of Canada, Ltd.
25 King Street West
Aluminum Goods Limited
158 Sterling Road

Vancouver
Aluminum Goods Limited
1357 Seymour Street

Wakefield
Aluminum Company of Canada, Ltd.

Windsor
Aluminum Company of Canada, Ltd.
1209 Canada Building

Winnipeg
Aluminum Goods Limited
410 MacIntyre Building

CHINA

Shanghai
Aluminium Union Limited
110 Chung Cheng Road
Chinese Aluminium Rolling Mills, Limited
610 Meichow Road

DENMARK

Copenhagen
Dansk Aluminium Industri A/S
Borgergade 16, 3

ENGLAND

Banbury
Aluminium Laboratories Limited
Northern Aluminium Company, Ltd.
Southam Road

Birmingham
Northern Aluminium Company, Ltd.
Middlemore Road, Handsworth

London
Aluminium Union Limited
Northern Aluminium Company, Ltd.
Grosvenor House, Park Lane
Stand Limited
11, Bruton Street

Rogerstone
Northern Aluminium Company, Ltd.
Castle Works, near Newport

FRANCE

Paris
Aluminium Méridional
Bauxites du Midi
63, Avenue des Champs-Élysées

FRENCH GUINEA

Conakry
Bauxites du Midi
Avenue du Gouvernement

GREECE

Athens
Delphi Bauxites S.A.
Aristidou Street 4

HOLLAND

Utrecht
N.V. Nederlandsche Aluminium Maatschappij
Postbus 2020

INDIA

Alwaye, Travancore State
Indian Aluminium Company, Ltd.
Alupuram

Bombay
Jeewanlal (1929) Limited
Kodak House, Hornby Road, Fort

Calcutta
Aluminium Union Limited
5/A Ezra Mansions, Government Place East
Indian Aluminium Company, Ltd.
5, Council House Street
Jeewanlal (1929) Limited
101 Clive Street

Madras
Jeewanlal (1929) Limited
127 Mint Street, George Town
Muri Junction, Bihar
Indian Aluminium Company, Ltd.
Chota Muri P.O.

Rajahmundry
Jeewanlal (1929) Limited
Riverside

ITALY

Aurelia (Civitavecchia)
Prodotti Chimici Nazionali
Borgofranco d'Ivrea
Società dell'Alluminio Italiano
Rome
Prodotti Chimici Nazionali
Via Francesco Crispi, 10

JAMAICA, B.W.I.

Kingslon
Sproston, Limited
67 Laws Street
Mandeville
Jamaica Bauxites Limited

MEXICO

Mexico, D. F.
Aluminio Industrial Mexicano, S.A.
Ejido No. 43, Office 508

NEWFOUNDLAND

St. Lawrence
Newfoundland Fluorspar Limited

NORWAY

Oslo
A/S Norsk Aluminium Company
A/S Nordisk Aluminiumindustri
Løkkeveien, 9
Det Norske Nitridaktieselskap
Solligaten 1

SINGAPORE

Singapore
Aluminium Laboratories Limited
P. O. Box 5

SOUTH AFRICA

Johannesburg
Aluminium Company of South Africa (Pty.) Ltd.
604 Garlick House, Harrison Street

Pietermaritzburg
Aluminium Company of South Africa (Pty.) Ltd.
P. O. Box 74

SWEDEN

Mansbo
A/B Svenska Aluminiumkompaniet
Stockholm
A/B Svenska Aluminiumkompaniet
Kungsgatan, 28

SWITZERLAND

Coire
Chinese Aluminium Rolling Mills, Limited
26, Gäuggelistrasse

Geneva
Aluminium Limited Training School
4, Route de Drize
Stand Société Anonyme
59, rue du Stand

Rorschach
Aluminiumwerke A.-G. Rorschach

Zurich
L'Aluminium Commercial S.A.
Bahnhofstrasse 3

TRIESTE

Trieste
Società Anonima Mineraria Triestina
via Machiavelli 1

TRINIDAD, B.W.I.

Port-of-Spain
Chaguaramas Terminals Limited
Pointe Gourde
Sproston Limited
27-31 Henry Street

UNITED STATES

Boston
Stand Corporation
38 Newbury Street
New York
Aluminum Import Corporation
Stand Corporation
620 Fifth Avenue

